

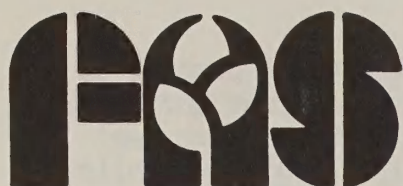
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REPORT 9 '83

United States
Department of
Agriculture

Foreign
Agricultural
Service

Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 30-83

WASHINGTON, July 27--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

OILSEEDS AND PRODUCTS

CANADA's Parliament recently passed a bill to establish CANAGREX, a government-owned agricultural export corporation. CANAGREX is designed to help increase Canadian agricultural exports not covered by the Canadian Wheat Board or the Canadian Dairy Commission. It will provide market identification and intelligence, market promotion and information services, loans and guarantees, joint ventures and selected grants and contributions to accelerate product development and promotion. CANAGREX will engage in trade only in cooperation with Canadian firms, marketing boards or cooperatives, or on a government-to-government basis. With the expanding level of these types of transactions under long-term agreements, such trade could become an important market outlet for CANAGREX. Rapeseed oil is one commodity likely to be a candidate for this type of promotional activity.

Continuing drought in SPAIN will reduce all 1983/84 oilseed crop prospects, according to the U.S. agricultural counselor in Madrid. Sunflower-seed harvesting has begun in the province of Andalusia, with rather poor yields being obtained, but harvesting throughout the country will not be completed until mid-October.

DAIRY, LIVESTOCK AND POULTRY

In HONG KONG, the reluctance of consumers to buy locally produced chicken suspected of containing carcinogenic growth hormones has pushed prices down 85 percent to around 10 cents per pound. Imports of U.S. chicken, which do not contain growth hormones, are thought to have fallen about 30 percent from their normal level as overall chicken sales have been adversely affected.

The Hong Kong Government banned the use of growth hormones for poultry, effective July 19, 1983, and is preparing courses to teach farmers how to breed hybrid broilers for increased productivity. Hong Kong's Agriculture and Fisheries Department has indicated that it is very interested in using U.S. and other foreign chicken breeds to cross with South China breeds. Hybrids are being sought that retain the look and taste of Chinese birds but incorporate the faster weight gains and higher feed conversion characteristics of foreign birds.

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LYNN KRAWCZYK, Editor, Tel. (202) 382-9442. Additional copies may be obtained from FAS Information Services staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.

In COSTA RICA, 1983 cattle inventories will fall about 1 percent to 2.55 million head primarily as a result of persistent dry conditions during the past year, according to the U.S. agricultural attache in San Jose. Beef production in 1983 is expected to fall about 13 percent to 67,000 tons, while that for 1984 is forecast to decline to 62,000. The drop in next year's level will be due to this year's heavy death loss and the above normal slaughter levels during 1982 and 1983.

COTTON AND FIBERS

ECUADOR's cotton textile industry may be forced to close due to the current cotton shortage. Weather-related crop losses and the poor quality of the remaining domestic supply has prompted Ecuadorian textile officials to lobby heavily for imports. (In the past, mills in Ecuador have purchased U.S. cotton.) Trade sources indicate mill inventories are down to one month's supply or lower.

TOBACCO

PORTUGAL raised both the excise tax and the retail price of cigarettes by roughly 25 percent, effective May 30. New retail prices range from US\$0.43 to US\$0.98 per pack of 20. The new consumer prices include fixed marketing margins of 2.5 percent for the wholesaler and 6.5 percent for the retailer, or a total marketing spread of 9 percent.

LEBANON's 1983 oriental tobacco crop is estimated by the U.S. agricultural attache in Damascus at 5,000 tons, farm sales weight, up 25 percent from last month's estimate of 4,000 tons. Tobacco area is estimated at 3,750 hectares, 14 percent above last year. Security problems continue in South Lebanon, where more than 75 percent of the tobacco crop is grown. In recent years, producers have been able to plant only half the total tobacco allotment of 7,720 hectares authorized by the government.

WEST GERMANY's 1983 tobacco crop is estimated by the U.S. agricultural counselor in Bonn at 8,000 tons, farm sales weight, up somewhat from last month's estimate of 7,350 tons. Tobacco area in West Germany is continuing its downward trend, with 1983 total area estimated at 2,984 hectares, marginally down from the previous year. The two major tobacco leaf types grown in West Germany are dark air/sun cured and burley tobacco. Tobacco area in 1983 for each of the major leaf types is expected to be marginally below last year. West Germany is the largest export leaf market for the United States. In July 1982, taxes on cigarettes in West Germany increased 32 percent, leading to a decline in domestic consumption and tobacco leaf imports from the United States.

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Selected International Prices

Item	: July 26, 1983	: Change from	: A year
	:	: previous week	: ago
ROTTERDAM PRICES 1/	\$ per MT	\$ per bu.	\$ per MT
Wheat:			
Canadian No. 1 CWRS-13.5%.13/	201.00	5.47	+2.00
U.S. No. 2 DNS/NS: 14%...	174.00	4.87	-0-
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--
U.S. No. 2 S.R.W.....	158.00	4.30	+5.00
U.S. No. 3 H.A.D.....	194.00	5.28	+3.00
Canadian No. 1 A: Durum..13/	207.00	5.63	+2.50
Feed grains:			
U.S. No. 3 Yellow Corn....	156.75	3.98	+8.75
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--
Feed Barley 3/.....	N.Q.	--	--
Soybeans and meal:			
U.S. No. 2 Yellow.....	280.90	7.64	+23.30
Brazil 47/48% SoyaPellets 4/	244.00	--	+15.00
U.S. 44% Soybean Meal.....	237.00	--	+17.00
U.S. FARM PRICES 5/			
Wheat.....	122.72	3.34	-.47
Barley.....	79.46	1.73	+.92
Corn.....	127.95	3.25	+3.94
Sorghum.....	122.43	5.10 6/	+3.30
Broilers 7/.....	1171.97	--	-.44
EC IMPORT LEVIES			
Wheat 8/.....	93.16	2.54	-2.80
Barley.....	95.30	2.07	-.70
Corn.....	57.98	1.47	-9.87
Sorghum.....	85.11	2.16	-.64
Broilers 9/.....	273.00	--	-2.00 *
EC INTERVENTION PRICES 11/			
Common wheat(feed quality)	160.73	4.37	-1.20
Bread wheat.(min. quality)	177.43	4.83	- 1.32
Barley and all			
other feed grains.....	160.73	--	-1.20
Broilers 11/.....	1133.00	--	-7.00
EC EXPORT RESTITUTIONS (subsidies)			
Wheat 12/.....	25.50	.69	-.50
Wheat flour.....	N.Q.	N.Q.	N.Q.
Barley.....	48.47	1.06	-4.42
Broilers 9/.....	196.00	--	-1.00 *
Sugar, refined 14/.....	N.A.	N.A.	N.A.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ F.O.B. price for R.T.C. broilers at West German border. 12/ Corrective amount, July - zero, Aug-Sept 40 ECU's. 13/ Sept. shipment. 14/ For week of July 13, based on a maximum subsidy of 26.540 ECU's per 100 kg. N.Q.=Not quoted. N.A.=None authorized. Note: Basis August delivery. *Reflects currency fluctuation and not change in level set by EC.

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